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U.S. Department of Justice

United States Attorney Western District of New York

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PRESS RELEASE

September 19, 2003

RE: UNITED STATES v. THOMAS REILLY

United States Attorney Michael A. Battle announced that Thomas Reilly, 65, of Getzville, New York, pled guilty today to making a false statement to FBI agents last November as the agents were conducting an investigation concerning possible no-show employees in public schools in Buffalo. U. S. District Judge John T. Elfvin will impose sentence on December 5, 2003. The maximum penalty is five years imprisonment and a \$250,000 fine.

Assistant U.S. Attorney Paul J. Campana said that Mr. Reilly was the Chief Engineer at McKinley High School in Buffalo in 2002 and had been Chief Engineer there for many years before then. On November 25, 2002, Mr. Reilly was interviewed by Agents of the FBI, who were investigating whether or not there was fraud involved in the payment of persons for maintenance work at City of Buffalo

Public Schools but who either did not do such work, or who worked substantially less time than was reported to the Buffalo Board of Education.

The Chief Engineers at school buildings in the City of Buffalo Public Schools were and are responsible for the maintenance of their school buildings and grounds. The defendant was compensated for his work at McKinley by funds that included a salary, plus a sum of money that was based upon the square footage of the school building. The money that was based upon square footage was a discretionary fund from which the defendant paid employees, who were hired by him, for work such as heating & ventilation maintenance, cleaning, grounds-keeping, snow removal, and other tasks necessary to maintain the school building and grounds.

In accordance with a practice that has been in effect throughout the school district for many years, the hours purportedly worked by the defendant's employees, and the monies paid to them - but not their names or other identifying information - were submitted to the Buffalo Board of Education on a quarterly basis. Also in accordance with long-term district-wide practice, the defendant retained for himself the amount of money representing the difference between the amount of the discretionary fund and the amount paid to his employees.

Mr. Campana said Reilly admitted that on November 25, 2002, he falsely told two Special Agents of the FBI that his son worked at McKinley High School in 2002,

when he knew this was not true. The defendant's son in fact lived in California and did not work at the school.

For the first three quarters of 2002, the defendant reported to the Board of Education payments of \$6,436.32 in the first quarter; \$6,669.52 in the second quarter; and \$6,063.20 in the third quarter, which was supposed to represent payments for maintenance work done by the defendant's son, even though the defendant performed the work himself.

The investigation of the case was undertaken by the Federal Bureau of Investigation under the direction of Special Agent-In-Charge Peter Ahearn.

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